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Photo courtesy of Rusalka Ukrainian Dance Ensemble.

The Size, Value and Economic Impact of Arts and Culture Tourism in Manitoba

This study explores the nature and economic impact of tourists that participate in arts and culture activities in Manitoba for 2023. It shows how the unique characteristics of these tourists generate economic value for the Province of Manitoba.

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Tourists that participate in arts and culture activities have about twice as much impact in relationship to their volumes as those that do not participate. Participants account for 12 per cent of total volumes and 26 per cent of total tourist spending in 2023.

Tourists that participate in arts and culture activities tend to spend more per capita, travel in larger parties and stay longer than non-participant tourists.

Spending from tourists that participate in arts and culture amounted to over $477 million. This spending produced direct economic impacts of over $222 million, indirect impacts of almost $80 million and induced impacts of over $75 million in 2023.

This spending created around 4.5 thousand actual jobs and over 3 thousand FTE jobs. About 56 per cent of the actual jobs were full time with the remainder being part time.

Although all tourism creates economic value, those tourists that participate in arts and culture activities have unique characteristics that result in enhanced economic benefits from each visit. We explore these characteristics in this report and work through the implications for the size, value and economic impacts of arts and culture tourism in Manitoba. Throughout this report we distinguish arts and culture participants from other tourists who do not participate in arts and culture activities.

We develop our analysis through a series of interrelated sections. The report opens with an overview of our methodology. This is followed by a review of data on overall tourism to Manitoba in 2023. We then focus on the arts and culture tourism submarket and contrast this with the overall tourism market. With this foundational data in place, we proceed to calculate the economic impact of arts and culture tourism in Manitoba, using our proprietary *TourForce* Economic Impact Model.

Tourism Recovers from the Pandemic

It is well-known that the Covid-19 pandemic had a disproportionate effect on the tourism industry. Travel restrictions were a key feature of many countries' Covid-19 policies. This initially had the effect of suppressing all tourism activities, both domestic and overseas.

The lifting of these restrictions initially affected the domestic component of the tourism market, resulting in a rather rapid growth in domestic tourism volumes in 2021 and 2022. Eventually restrictions were lifted on cross-border travel which resulted in an increase in cross-border volumes, especially from the United States.

Although domestic volumes have more than recovered from the pandemic, cross-border volumes have not. Cross-border tourist volumes are more than 25 per cent lower than their pre-pandemic levels. That is concerning for the arts and culture market because cross-border tourists tend to participate more in arts and culture activities.

Although Manitoba's tourism nominal receipts are up considerably from pre-pandemic, much of the increase can be attributed to price increases as opposed to changes in real economic activity. Still, total volumes have fully recovered from the pandemic lows because higher intra-provincial volumes have made up for lower cross-border volumes.

Focus on the Tourists that Participate in Arts and Culture Activities

Tourists that participate in arts and culture activities have a disproportionate impact on spending in relationship to their volumes. We calculate that these tourists account for 12 per cent of total volumes but 26 per cent of total spending.

The tendency for tourists to participate in arts and culture activities varies directly by the distance from Manitoba, as does the propensity to spend on arts and culture activities. This bolsters the idea that tourists that originate outside of Manitoba are more likely to seek arts and cultural experiences than tourists that originate within Manitoba. But as most tourists originate in Manitoba, domestic tourists tend to account for most of the arts and culture tourist activity.

Our review of the data reveals characteristics that distinguish the profiles of arts and culture participants from non-participants. We summarize these profiles below.

	Arts and Culture Participants	Non-Participants
Origin	Mostly from Manitoba but higher prevalence of out-of-province	Overwhelmingly from Manitoba
Motivation	More likely to be on a holiday	More likely to be visiting friends and relatives
Party composition	More likely to be travelling with family in larger parties	Tend to be older with fewer children. Smaller party sizes.
Visitation	Longer duration visits	Shorter duration visits
Seasonality	Tends to be concentrated in high summer season	Less variability between the seasons
Income	Upper middle income	Below average income
Spending	Spends more than average	Spends less on average

Economic Impact of Tourists that Participate in Arts and Culture

Tourists that participate in arts and culture activities spent over $477.8 million in 2023. This spending generated over $222 million of direct economic impact at the point-of-sale (hotels, restaurants, attractions, and services at the destination). In addition, almost $80 million in value was generated indirectly by the tourism business supply chain within Manitoba.

Both point-of-sale and supply chain businesses pay their factors of production, namely labour (wages) and capital (profits). These monies are also spent in the surrounding community which generates a further $75.5 million in induced economic value to Manitoba.

In sum, the $477.8 million in arts and culture tourism spending generated $377.6 million in total value-added in Manitoba in 2023.

Our model estimates income streams, of which wages and salaries are the most important. Based on wage and salary data from Statistics Canada, the model computes the number of full-time equivalent (FTE) jobs that are generated by spending. The arts and culture participant tourists generate over three thousand direct FTE jobs in Manitoba.

It should be noted that FTE jobs are not an accurate portrayal of actual jobs. It assumes that all jobs are full-time jobs when much of the tourism sector is characterized by less than full-time employment. If we assume that employment is proportional to spending, then arts and culture participants generate about 4.5 thousand jobs in 2023. Based on Statistics Canada employment data, about 56 per cent of the actual jobs would be full-time with the remainder being part-time.

Introduction

This study considers the economic impact of tourists that participate in arts and culture activities in Manitoba. Estimates are generated for 2023. Considering the economic impact of arts and culture through a tourism lens differs from other ways of demonstrating value. Although tourists may account for a small percentage of total demand, they have other characteristics that make them desirable from an economic perspective.

Arts and culture assets are developed based on many considerations. Often the local community is the main beneficiary of these assets and the tourist a secondary beneficiary. As such, one should not confuse the tourist value proposition of arts and culture with its overall value.

Yet tourism attraction is an interesting perspective because, by definition, tourism draws in people and spending from other jurisdictions. Those "other jurisdictions" will vary depending on whether the jurisdiction of interest is municipal, regional, provincial, or national. Drawing in spending from another jurisdictions acts as a sort of export for the jurisdiction in question, which increases total demand and economic activity in the jurisdiction beyond what might be expected from the local population.

The other important thing about arts and culture tourism is the way it generates spillover benefits to other sectors. The actual engagement in arts and culture activity is usually a relatively small percentage of tourism spending. These activities are usually combined with other forms of spending. Tourists staying overnight rely on accommodation through hotels, motels and even campgrounds. They may fuel their cars, perhaps rent a car or take a plane or train. All these forms of spending generate economic value in varying degrees to the extent to which these goods and services are available in the jurisdiction.

About this Report

We develop our analysis through a series of interrelated sections. The report opens with an overview of our methodology. This is followed by a review of data on overall tourism to Manitoba in 2023.

We then focus on the arts and culture participant sub-market and contrast this with the non-participant market. With this foundational data in place, we proceed to calculate the economic impact of arts and culture tourism in Manitoba, using our proprietary *TourForce* Economic Impact Model.

The report concludes with a summary of the findings and works through the implications for arts and culture tourism planning going forward.

Methodology

Economic analysis of the tourism sector requires an understanding of the demand and supply sides of the tourism market. It is the interaction of these that determine the economic value of tourism.

Tourism Demand Relies on Statistics Canada Travel Surveys

Statistics Canada collects voluminous data on tourism demand. They do so through two tourism surveys. The National Tourism Survey (NTS) is a monthly survey of Canadian travellers that tracks all their tourism activities and spending, both within Canada and abroad. Meanwhile, the Visitor Travel Survey (VTS) is a quarterly frontier survey that focuses on tourists visiting from outside Canada.

Historically, both surveys have been released in detailed format (called microdata) which allows tourism researchers access to individual survey responses (while hiding the identity of the respondent). This is helpful for sub-population analyses like the one we do in this report.

The VTS was disrupted by the Covid-19 pandemic and has only recently resumed collection on a limited basis. The NTS was temporarily disrupted by the pandemic but is now fully functional. As such, the last available detailed data for the VTS is 2019 whereas the NTS detailed data is available for 2023. There is, none the less, summary data for the VTS for 2023. Using the earlier detailed data and the current summary data estimates, we estimate US and overseas tourist activity and spending for 2023.

The reader should note that the data presented here on Canadian travellers is more reliable than the data on US and overseas travellers for two reasons. First, the NTS is a more regular survey with larger sample sizes, meaning smaller margins of error. Second, the NTS is fully operational whereas we had to estimate US and overseas data based on top line data and distributions from the 2019 VTS dataset.

Tourism Supply Based on Statistics Canada Models

In Forum Research's conceptual framework, we divide tourism supply into two kinds of assets: attraction and experience assets. Attraction assets refer to key sites or features that serve as primary motivators for tourist visits. Experience assets encompass supplementary activities and services that enhance overall trip satisfaction and include ancillary goods and services that contribute to a comprehensive tourism experience, most notably accommodation and food and beverage services.

For example, a visitor may choose to travel to Winnipeg to attend the Manito Ahbee Festival. They may end up staying at the Fairmont and dine at Le Petit Chef restaurant. These additional activities form an integral part of the entire visitor experience and influence tourists' satisfaction with their trip and the likelihood that they recommend their trip to others.

In fact, this supplementary spending may exceed the spending on the main attraction. However, its is unlikely the supplementary spending would have occurred without the main attraction.

This study uses Statistics Canada data to define the supply side of the tourism economy. Statistics Canada approach is a matter of understanding vertical supply chains that are engaged when tourists spend money. Those supply chains are captured in our *Tourforce* economic impact model.

TourForce Economic Model Uses a Three-Step Process

Simulating the *TourForce* Economic Impact Model is a three-step process.

Step 1: Define the Tourist Population

For many years, the United Nations has spearheaded a global effort to define tourists and measure the economic contribution of tourism.[1] Statistics Canada follows the United Nations approach and the *TourForce* model is consistent with these approaches.

In the UN approach, tourism is a subset of travel. A tourist is someone who travels outside their "usual environment" (their home) for a purpose other than employment for less than 1 year. The UN further differentiates between tourists who stay overnight and day trippers. The latter are called "excursionists."

Typically, a tourist is someone who travels at least 40km from their "usual environment". As Statistics Canada uses that definition, it is incorporated into their estimates of tourist counts and therefore, effectively, is the definition for this study as we are dependent on Statistics Canada data.

The trip's purpose determines whether someone is a tourist or other traveler. The purpose of a trip must fall into one of the following categories to be classified as tourism:

1. Holidays, leisure, and recreation
2. Visiting friends and relatives
3. Education and training
4. Health and medical care
5. Religion/pilgrimages
6. Shopping
7. Transit
8. Other non-business or professional reasons
9. Business

Tourism does not usually include travel where people are paid to travel. But the NTS survey does include a portion of business travel under certain conditions, so it is part of their data. Manitoba Arts Council and Travel Manitoba are interested in those who visit arts and cultural attractions in Manitoba among these tourist types. Throughout this report we distinguish arts and culture participants from other tourists who do not participate in arts and culture activities.

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[1] *United Nations Department of Economic and Social Affairs, Tourism Satellite Account: Recommended Methodological Framework 2008.*

The concepts of trips and activities are also important when defining the tourist population. Tourists take trips outside their usual environment and may, in fact, engage in a variety of activities during the trip. The "trip" is the macro concept and "activity" is the micro concept.

For instance, a tourist from Flin Flon may take a trip to Winnipeg to visit friends and relatives. While in Winnipeg, the tourist may decide to visit the Manitoba Museum. This raises the question as to whether the tourist is a "visiting family and relatives" tourist or an "arts and culture" tourist.

In our discussions with Manitoba Arts Council and Travel Manitoba, we decided to define an arts and culture tourist as anyone who travels more than forty kilometers from their "usual environment" for any amount time who participated in any of the five following arts and culture activities in Manitoba in 2023:

1. A festival or fair
2. A performance
3. An aboriginal event
4. A historic site visit
5. A museum or gallery visit.

This is admittedly a liberal definition because these activities may not be the main purpose of the trip. Throughout this report we distinguish between tourists that are arts and culture participants versus those that are non-participants.

Step 2: Determine Arts and Culture Tourism Spending

From an economic perspective, it is not so much the arts and culture participation that is important but rather the spending that occurs while on a trip that includes arts and culture activities. Many arts and culture activities are free of charge, often supported through subsidies by governments, charitable donations, and not-for-profit organizations.

Once we have defined the population of tourists that participate in arts and culture, any spending during their trip will stimulate the Manitoba economy and is considered an outcome of their arts and culture tourist activity. The NTS and VTS surveys allow us to generate estimates of arts and culture tourism spending for 2023. The NTS component is detailed so we can extract the arts and culture spending directly from it. The VTS data is aggregated for 2023, so we use the last detailed release (pre-pandemic, 2019) to break down this aggregated spending into its arts and culture component.

Step Three: Use Tourism Spending to Simulate the Model

The *TourForce* model is built on the national income accounting architecture. The national income accounts for Canada and all provinces are a detailed economic accounting system that connect spending to industry value-added (or gross domestic product) and factor payments (wages, salaries, and profits).

Statistics Canada uses a variety of administrative records (for example, tax filings), business surveys and household surveys to gain a complete picture of how value-added is created in the economy.

Mary Galloway and Jordan Popowich behind-the-scenes of "Querencia". Photo credit: Veronica Bondurud.

The concept of economic value-added differs from company sales (an accounting concept) in that companies use a variety of inputs to create products and services for sale. Those inputs are included in the price of the product or service. But to avoid double-counting, value-added focuses on the *unique* contribution by the point-of-sale company.

To illustrate with a tourism example, consider a hotel. The hotel uses a variety of inputs from cleaning supplies to waste disposal and in-room amenities. These services/supplies may be provided by other companies in other industries than the hotel and are factored into the price of a room.

The main value-added created by the hotel itself is the room, the front desk service, and the room maintenance. For a $200/night room, the value-added of the hotel may only be $100 dollars with the other $100 dollars being created by the hotel's suppliers (the supply chain).

The model allows us to see inter-industry relationships as well as the breakdown of so-called factor payments for an industry. An incorporated hotel generates a profit for shareholders. The hotel pays staff wages and benefits. When combined with other information about Manitoba's labour market, we can generate estimates of employment.

In *TourForce*, we apply the specific spending patterns of the target tourist population to the products/services that they purchase. We then link the product spending to the supply chain. This allows us to gauge direct and indirect economic impacts.

The direct impacts are realized at the point-of-sale, the hotel in our example. The indirect impacts are those realized in the supply chain. Companies in the same line of business are organized as an industry and their value-added counts towards industry value-added. The economic impact numbers are for reported the economy as whole and by industry.

It is also possible to calculate induced economic impacts. Induced economic impacts are generated from the follow-on spending from the factor payments. We know that consumers and businesses spend a portion of the wages and profits that they earn in the surrounding economy. We estimate the induced impact of this spending on other industries by mapping the relationship between factor payments to spending patterns by households and businesses.

TourForce also allows us to calculate tax effects from arts and culture tourism spending.

Manitoba Tourism in 2023

Before we delve into a dissection of the arts and culture tourism in Manitoba, it makes sense to contextualize this by the overall tourism market in Manitoba in 2023.

Manitoba Tourism Recovers from the Pandemic

The Manitoba tourism landscape can be summarized by two tables that look at tourist visits and spending in the 2018-23 period (Tables 1 and 2).

Table 1
Tourism Visits, Manitoba, 2018-23
Thousands

	2018	2019	2020	2021	2022	2023
Manitoba	8,594	9,025	6,046	6,649	7,591	8,966
Other Canada	996	949	625	484	864	989
US	462	456	95	70	212	310
Overseas	128	116	22	13	39	99
	10,180	10,546	6,788	7,216	8,706	10,364

Source: Statistics Canada

Table 2
Tourism Spending, Manitoba, 2018-23
Thousands of Current Dollars

	2018	2019	2020	2021	2022	2023
Manitoba	835,330	993,635	239,000	737,458	1,147,507	1,083,558
Other Canada	341,888	340,514	73,000	183,983	467,257	455,459
US	152,499	158,632	22,000	32,845	108,914	150,726
Overseas	157,055	150,062	20,000	30,228	80,566	131,306
	1,486,772	1,642,843	354,000	984,514	1,804,244	1,821,049

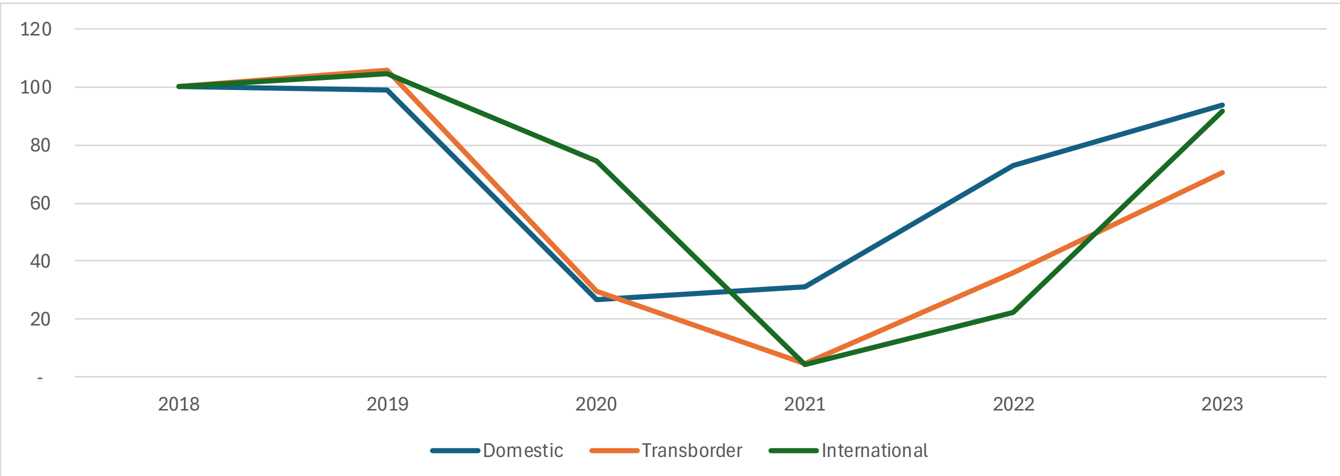
Source: Statistics Canada

It is well-known that the Covid-19 pandemic had a disproportionate effect on the tourism industry compared to other sectors. Travel restrictions were a key feature of many countries' Covid-19 policies. This initially had the effect of suppressing all tourism activities, both domestic and overseas.

The lifting of these restrictions initially affected the domestic component of the tourism market, resulting in a rather rapid growth in domestic tourism volumes in 2021 and 2022. Eventually restrictions were lifted on cross-border travel, which has resulted in an increase in cross-border volumes, especially from the United States.

A key concern is that while domestic volumes have recovered from the pandemic, the cross-border volumes have not. Cross-border tourist volumes are more than 25 per cent lower than their pre-pandemic levels. As we explain below, that is concerning for the arts and culture market because cross-border tourists are more likely to take in arts and culture activities and spend more per capita than other tourists in Manitoba.

Chart 1
Passengers Enplaned and Deplaned, By Passenger Type, 2019-23
Winnipeg James Armstrong Richardson International Airport



Source: Forum Calculation from Winnipeg James Armstrong Richardson International Airport data.

The culprit appears to be arrivals from the United States, which is the number one source of cross-border tourists (called transborder in airport data). Arguably, airport arrivals are less important to the US traveller since many will arrive by automobile. But we calculate that as much of the 40 per cent of the reduced tourist volumes from the US can be attributed to fewer US plane arrivals into Richardson International Airport.

Although many analysts recognize the severe supply chain disruptions that were associated with the pandemic, they rarely discuss the impact on air routes. Disused passenger airport capacity gets reallocated to other uses, both other passenger routes as well as freight traffic. Established routes that took years to negotiate and that were running well must be re-negotiated. As the Winnipeg Airport Authority makes clear in its 2023 annual report, that process of reestablishing US routes can take years.[2]

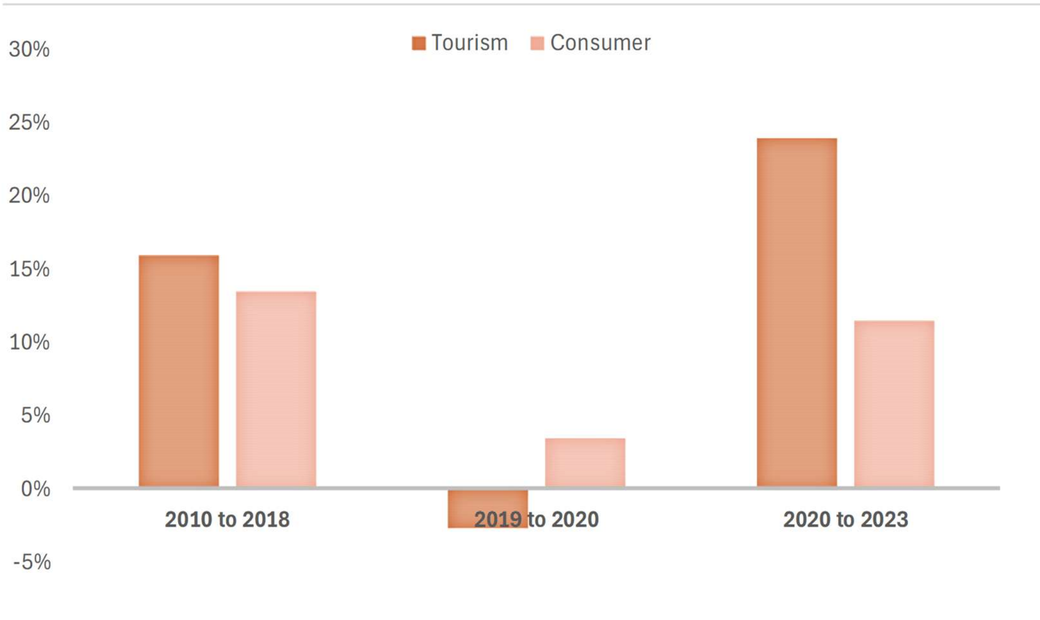
Yet from an economic perspective, we are not so much interested in the volumes of tourists as tourist *spending*. It is the spending that drives value-added. Although tourist spending looks to have increased considerably from pre-pandemic levels, this conclusion is based on *nominal* spending. Nominal spending includes price inflation whereas it is real (or inflation-adjusted) spending that matters to the actual level of business activity in terms of profit, employment, and wages.

[2] Winnipeg Airport Authority, 2023 Annual Report.

Tourism was quite unique in terms of its price behaviour before and after the pandemic. One way to look at this is to compare the implicit price deflators for tourism and overall consumption, measures of price inflation (Chart 2). Tourism prices were in line with consumer prices in the 8-year period before the pandemic but then were more depressed during the pandemic and accelerated after the pandemic. This increase was due to pent-up demand entering the tourism market against a constrained supply side.

Chart 2

Comparing Tourism Prices to Overall Consumer Prices (Per cent Change)

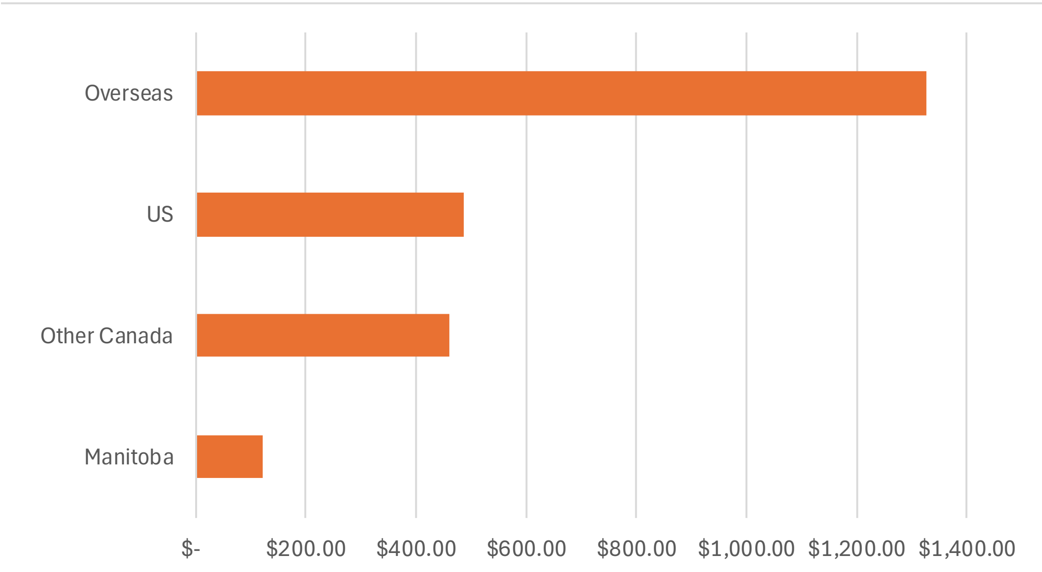


Source: Statistics Canada

Although Manitoba's tourism nominal receipts are up considerably from pre-pandemic, much of the increase can be attributed to price increases as opposed to increases in real economic activity. That makes sense as the actual tourist volumes are only slightly higher than they were in 2018. For Canada as a whole, the number of tourism jobs in the fourth quarter of 2023 was slightly lower than it was in the fourth quarter of 2018 (547.8 thousand in 2018 compared to 544.4 thousand in 2023).[3] So, while the tourism industry has recovered from the pandemic, it has not grown in line with nominal spending.

[3] Statistics Canada Table 36-10-0232-01.

Chart 3
Average Spending Per Visit by Origin, Manitoba, 2023



Source: Forum Calculation from Statistics Canada data.

Another interesting phenomenon is the way spending varies by tourist origin (Chart 3). Simply put, the further away someone originates from Manitoba, the higher their spending during their visit. Domestic tourists are far more likely to take visits of short duration that include non-spending activities like catching up with friends and relatives. Tourists from further away generally stay longer in paid accommodation, eat out more and take in a variety of paid tourism activities.

Focus on the Arts and Culture Participants

This discussion about origin nicely segues into considering tourists who participate in arts and culture activities. As with origin statistics, the arts and culture participant submarket has unique characteristics that affect the level and type of spending and associated economic value.

Arts and Culture Participant Tourists Account for Outsized Share of Spending

As with overall tourism, the top-level data on visits and spending explain a lot about Manitoba's arts and culture participant tourism market and how it differs from the overall tourism market. These data are summarized in Tables 3 and 4.

Table 3
Arts and Culture (AC) Visits, Participants and Non-Participants, Manitoba, 2023
Thousands

	Total Visits	AC Participants	%	AC Non-Participants
Manitoba	8,966	941	11%	8,025
Other Canada	989	148	15%	841
US	310	90	29%	220
Overseas	99	45	45%	54
Total	10,364	1,224	12%	9,140

Source: Statistics Canada, Forum Research Calculations

Table 4
Arts and Culture Participant Spending Compared to Total Spending, Manitoba, 2023
Thousands of Current Dollars

	Total	Participants	%	Non-Participants
Manitoba	$ 1,083,558	$ 241,948	22%	$ 841,610
Other Canada	$ 455,459	$ 62,752	14%	$ 392,707
US	$ 150,726	$ 80,640	54%	$ 70,086
Overseas	$ 131,306	$ 92,486	70%	$ 38,820
Total	$ 1,821,049	$ 477,826	26%	$ 1,343,223

Source: Statistics Canada and Forum Research Calculations

Arts and culture participants have a disproportionate impact on spending in relationship to their volumes.

We calculate that these tourists account for 12 per cent of total volumes but 26 per cent of total spending.

Note how the participation in arts and culture activities varies directly with the distance from Manitoba, as does the propensity to spend on arts and culture activities. This supports the idea that tourists that originate further away from Manitoba are more likely, on average, to seek full arts and cultural experiences than tourists that originate within Manitoba.

Photo courtesy of Théâtre Cercle Molière.

However, provincial residents dominate Manitoba's tourism market. The *volume* effects of provincial-based tourists easily outweigh the *propensity* effects. That means that Manitoba residents total spending on arts and culture tourism is still about *two-thirds higher* than it is for the *combined total* for elsewhere in Canada, cross-border, and overseas tourists. Although the per-visit spending is considerably higher for travellers from outside Manitoba, the sheer volume of Manitoba-based arts and culture visitors assures that this is the major market segment for arts and culture tourism in Manitoba.

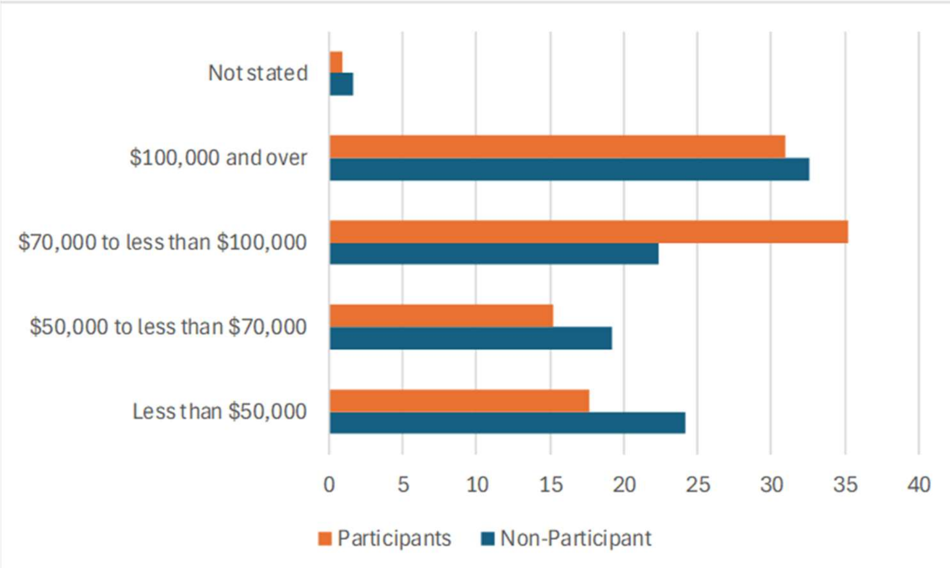
Arts and Culture Participant Tourists Spend More on Average than Other Tourists

One of the reasons why tourists that participate in arts and culture spend more is that they have above average incomes. All tourism spending is discretionary and, simply put, higher-income people have more discretionary income to spend on tourism activities.

Notice in Chart 4 how the propensity to engage in tourism generally increases with income. But it is interesting to see how arts and culture tourism participation tops out in the $70 to $100 thousand household income range. That may be because arts and culture tourism is a cost-effective tourism option. As mentioned, these activities are often subsidized through a combination of government grants and private giving.

Chart 4

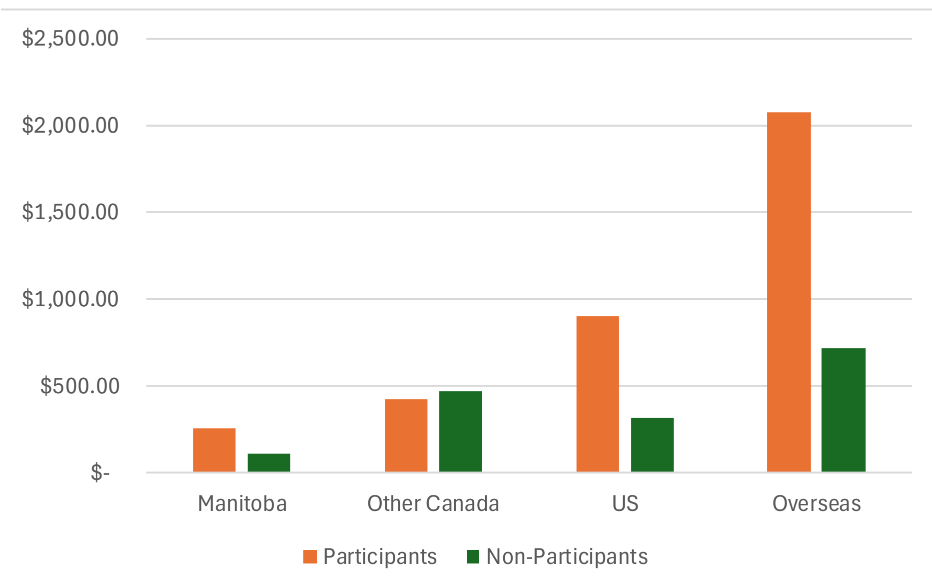
Participation by Household Income (% of Category)



Source: Statistics Canada and Forum Research Calculations

Chart 5

Per Trip Spending of Participants and Non-Participants



Source: Statistics Canada and Forum Research Calculations

Tourists that participate in arts and culture generally spend more per trip across all origins.

A" share of wallet" analysis reveals another trend (Table 5a). Not surprisingly, participating tourists spend more of their total budget on commercial transportation simply because they are more likely to originate further away from their trip destination, even within the province. But other than that feature, the spending profile is quite similar. Keep in mind, however, that tourists that participate in arts and culture spend more per capita, so the level of spending on each of these items is higher per capita, even though the amount allocated within their budget may be about the same.

The NTS does not collect data on accommodation choices. The VTS does collect this data for US and overseas tourists (Table 5b). The data shows that participating and non-participating tourists have roughly the same accommodation profile, with slightly more participants staying with friends and family.

Table 5a
Share of Wallet of Participants and Non-Participants

	Non-Participants	Participants
Commercial transportation	12%	21%
Local transportation	0%	1%
Vehicle rental and vehicle insurance	4%	6%
Gas or repairs to vehicle	10%	8%
Accommodation	33%	26%
Food and beverages purchased at restaurants	10%	13%
Food and beverages purchased at stores	8%	6%
Sports and recreational activities	4%	3%
Cultural and attractions	3%	7%
Clothing, footwear or accessories	5%	3%
Other purchases or expenses	10%	6%

Source: Statistics Canada and Forum Research Calculations

Table 5b
Distribution of Accommodation
US and Overseas Tourists, Per Cent of Category

	Non-Participating	Participating
Hotel	27.9	26
Motel	3	6
Friends and relatives	25.6	33
Camping	1	1
Cottage	2	3
Other (AirBnB)	10	17
No response	30.5	14

Note: NTS does not cover specific accommodation choices.

Source: Statistics Canada

Tourists that Participate in Arts and Culture Stay Longer

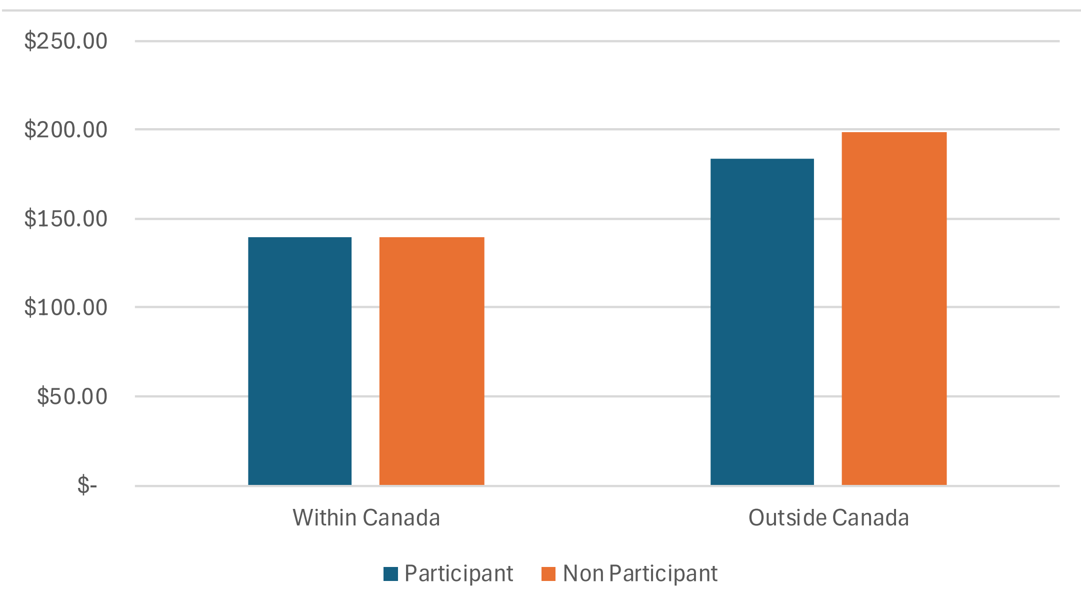
One of the reasons arts and culture participating tourists spend more is because they stay longer and are more likely to stay in paid accommodation. Participants from outside of Canada stay an average of 7 nights (Table 6) considerably more than the 2 nights of non-participants. The average spending per person/night is not much different (Chart 6) but the length-of-stay difference is significant.

Table 6
Mean Person Nights, By Origin

	Non-Participants	Participants
Within Canada	1	2
Outside of Canada	2	7

Source: Statistics Canada and Forum Research

Chart 6
Average Spending Per Person/Per Night



Source: Statistics Canada and Forum Research

Tourists that Participate in Arts and Culture More Likely to Be on Holiday

Considering the motivations of arts and culture participating tourists when compared to other tourists helps explain their greater reliance on paid accommodation and restaurant meals (Table 7). Two features stand out. One is that they are much more likely to be on holiday as opposed to making casual visits with friends and family. The second is that non-participant tourists are more likely to be travelling for medical reasons which generally is not conducive to a lengthy stay involving other activities.

Table 7

Main Reason for Trip: Participants Versus Non-Participants

	Participants %	Non-Participants %
Holiday, leisure or recreation	46%	27%
Visit friends or relatives	21%	39%
Non-business conference, convention or trade show	5%	2%
Shopping, non-routine	4%	5%
To go to school or study, non-routine	0%	0%
Medical, non-routine	1%	8%
Religious reasons, non-routine	1%	0%
Other personal, non-routine	3%	4%
Business meeting, conference, convention, trade show	3%	2%
Other business, non-routine	16%	12%

Source: Statistics Canada and Forum Research

Table 8

Top 15 Activities Engaged in by Arts and Culture Participants
Per cent of Participants Visits

Dining out and bars	53%
Sightseeing	43%
Historic Site	41%
Festival or fair	36%
Visit Family and Friends	36%
Shopping	33%
Museum or gallery	30%
Performance	28%
Beach activities	22%
Aboriginal event	16%
Zoo or aquarium	15%
Hiking	12%
Camping	10%
Boating	4%
Casino	3%

Source: Statistics Canada and Forum Research

The spending patterns of tourists that participate in arts and culture are also revealed through their activities. Notably, arts and culture activities are not even the most prevalent among this tourist category. The reason is all tourists that participate in arts and culture need to eat while only some tourists take in specific arts and culture activities like visiting a historic site or a festival.

A sunset beach screening in Gimli, 2022, hosted by the Gimli Film Festival. Photo by Doug Little Photography.

Tourists that Participate in Arts and Culture Travel in Larger Party Sizes

Party composition also helps to explain the somewhat higher spending of arts and culture participant tourists. To begin, participant average party size is about a third higher than non-participant party size (Table 9). Moreover, participant tourists are more likely to be travelling in family parties with children (Table 10).

Table 9
Party Size, Per Cent of Sample

	Non-Participants	Participants
1	75.7	56
2	14	25.2
3	5.6	9.1
4	2	4.7
5 or more	2.7	5
Average Party	1.53	2.04

Source Statistics Canada and Forum Research

Table 10
Party Composition, Per cent of Sample

Accompanying Respondent	Non-Participant		Participant	
	Adults	Children*	Adults	Children*
0	35.5	76.1	33	68.9
1	53.9	11.1	57.2	12.8
2	7.7	8.5	6.1	10.6
3	2.7	3.8	3.7	7.6
4	0.1	0.5	0	0.2

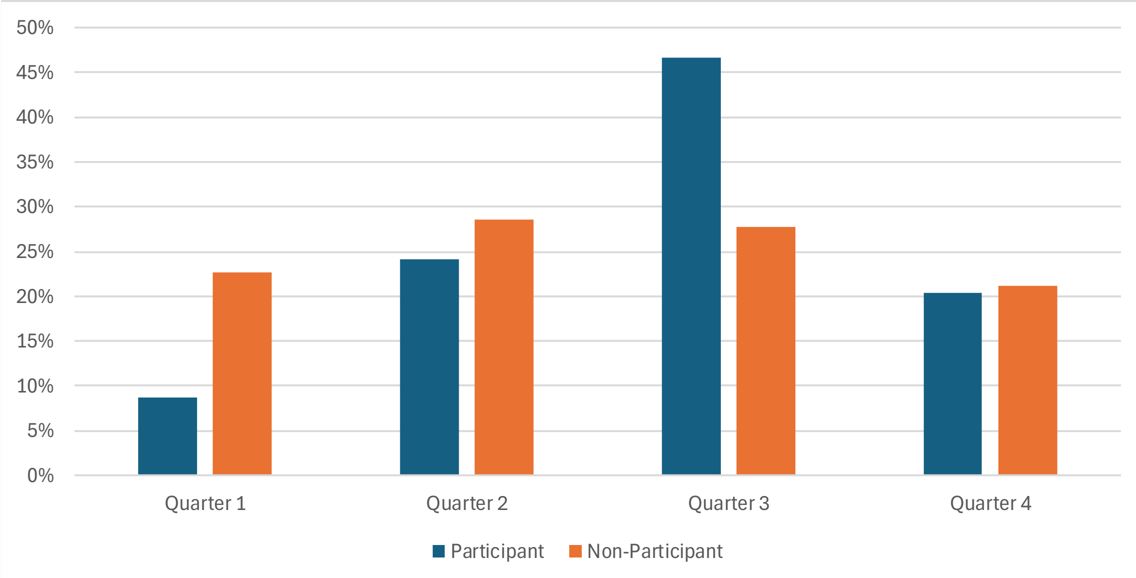
*Note: Children are members of party 17 years old and under

Source: Statistics Canada and Forum Research

Tourists that Participate in Arts and Culture More Likely to Travel in Summer

The family-party phenomenon is further bolstered by the evidence on seasonality (Chart 7). There is a significant summer bump in the number of participant tourists. That makes sense because the number of arts and culture events increases during the summer months, often to cater to the increasing demands of families for summer activities.

Chart 7
Seasonality of Participants versus Non-Participants



Source: Statistics Canada and Forum Research

Our review of the data reveals several characteristics that distinguish the profiles of tourists that participate in arts and culture from other tourists. We summarize these profiles in Table 11.

Table 11
Profiles of Arts and Culture Participants and Non-Participants

	Arts and Culture Participants	Non-Participants
Origin	Mostly from Manitoba but higher prevalence of out-of-province	Overwhelmingly from Manitoba
Motivation	More likely to be on a holiday	More likely to be visiting friends and relatives
Party composition	More likely to be travelling with family in larger parties	Tend to be older with fewer children. Smaller party sizes.
Visitation	Longer duration visits	Shorter duration visits
Seasonality	Tends to be concentrated in high summer season	Less variability between the seasons
Income	Upper middle income	Below average income
Spending	Spends more than average	Spends less on average

Economic Impact Analysis

To review, our *TourForce* Economic Impact model is driven by tourism spending. We include all the spending that arts and culture participating tourist do during a trip that includes any of the arts and culture activities covered in the terms of reference.

Our analysis of Statistics Canada tourism data provides a good estimate of total spending and its components. That is the demand side of tourism. The model effectively shows how the supply side of tourism responds to this demand, in the process creating economic value-added in the form of GDP, income, employment and taxation.

Royal Manitoba Theatre Centre, The Secret to Good Tea, 2023. (Photo: Dylan Hewlett)

The direct impacts are realized at the point-of-sale in response to tourist demand. However, the establishments that respond to tourist demand only provide a portion of the value required to meet that demand. They rely on suppliers (the so-called supply chain) to help address this demand. That creates value-added beyond the point-of-sale into the supply chain. Each type of expenditure like transportation, accommodation and food and beverage has a different supply chain, so creates a different kind of economic impact.

All this economic activity produces income. There are three types of income that are produced: wages and salaries, profits and something called mixed income, which is the income realized by unincorporated small businesses. It is mixed in the sense that some of the income pays for capital and some for labour (wages). Recipients of those income streams then spend a portion of that income in the surrounding economy, which produces an induced economic impact.

Government tax receipts are driven off the increased economic activity. They take the form of direct and indirect taxes at three levels of government-federal, provincial, and municipal. The model includes a tax block where these fiscal impacts are computed based on Statistics Canada government financial statistics.

Tourists that Participate in Arts and Culture Generate Over $377 Million in Economic Impacts

Table 12 summarizes the findings of the economic impact simulation. The total arts and culture tourism expenditure is broken down into categories, each which has its own value chain.

We estimate that the arts and culture tourist spent over $477.8 million in 2023. This spending generated over $222 million in direct economic impact at the point-of-sale (hotels, restaurants, attractions, and services at the destination).

In addition, almost $80 million in value was generated by the point-of-sale's supply chain within Manitoba. That supply chain includes both goods and services like accounting and financial services. Both point-of-sale and supply chain businesses pay their factors of production, namely labour (wages) and capital (profits). These monies are also spent in the surrounding economy which generates a further $75.5 million in induced economic value in Manitoba.

In sum, the $477.8 million in arts and culture participant tourism spending generated $377.6 million in total value-added in Manitoba in 2023.

Table 12
Economic Simulation Results
Thousand of Dollars

Total Spending	$	477,826				
Of which						
Accommodation	$	125,756				
Food and beverage	$	88,848				
Cultural and entertainment	$	49,661				
Transportation	$	171,358				
Miscellaneous	$	42,203				
Gross Domestic Product (Manitoba)						
Direct	$	222,145				
Indirect	$	79,972				
Induced	$	75,529				
Total	**$**	**377,647**				
Impact on Labour Market (Manitoba)		*Direct*		*Indirect*		*Induced*
Wages and Salaries	$	134,762	$	57,948	$	51,210
Employment (FTE)		3,157		1,004		844
Total Taxes						
Municipal	$	4,587				
Provincial	$	77,981				
Federal	$	70,336				
Total Taxes	**$**	**152,904**				

Source: Forum Research TourForce Model

Tourists that Participate in Arts and Culture Generate About 4.5 Thousand Actual Jobs

The model produces income streams, of which wages and salaries are the most important. Like most economic impact models, our model calculates full-time equivalent (FTE) jobs from wages and salaries. The arts and culture participant tourists generate over three thousand direct FTE jobs in Manitoba.

However, it should be noted that FTE jobs are not an accurate portrayal of actual jobs. FTE jobs assume that all jobs are full-time jobs when, in fact, most of the tourism sector is characterized by less than full-time employment.

For instance, Statistics Canada's Tourism Satellite Accounts estimates that 2.5 per cent of Manitoba's employment is based on tourism. If we assume that employment is proportional to spending, then arts and culture participants would generate about 4.5 thousand actual direct jobs in 2023. Based on Statistics Canada labour force data, about 56 per cent of these actual direct jobs would be full-time with the remainder being part-time.

Governments Benefit from Arts and Culture Participant Tourism Through Higher Tax Revenue

Finally, government revenue is generated from the increased economic activity. The provincial government generates almost $78 million from the arts and culture tourist, followed by over $70 million for the federal government and roughly $5 million for municipal governments.

The 2024 Northern Juried Art Show, hosted by The Pas Arts Council.

Table 13
Direct Economic Impact by Sector
Thousands of Dollars

Transportation		
Air transportation	$	32,085
Rail transportation	$	4,589
Urban transit systems	$	1,759
Other ground and siteseeing transit	$	773
Taxis and Limosines	$	999
Automotive equipment rental and leasing	$	13,848
Gasoline stations	$	12,934
Automotive repair and maintenance	$	8,102
Accommodation		
Traveller accommodation	$	64,331
RV parks, recreational camps, and rooming and boarding houses	$	1,216
Food and Drink		
Food services and drinking places	$	24,929
Food and beverage stores	$	11,740
Amusement and recreation industries	$	25,021
Travel arrangement and reservation services	$	4,634
Other retail	$	19,109

Source: Forum Research TourForce Model

The Accommodation, Transportation and Food Services Sectors Benefit

The model also allows us to generate sector impacts. These impacts are summarized in Table 13.

One interesting thing to note about the sector findings is that the arts and culture activities (encompassed under amusement and recreation industries) are a small fraction of the total spending and economic impact. That is why, in our schema, we differentiate between attraction and experience assets. The entire experience is shaped by all the goods and services that an arts and culture tourist consume during a trip, but this spending may not have occurred without the attraction of the arts and culture activity.

Conclusion

This study has explored the economic impact of tourists who participate in arts and culture activities in Manitoba in 2023. Tourists that participate in arts and culture activities form a significant part of the total tourism market. The arts and culture participating tourists differ from non-participants in several ways, including origin, motivation, party composition, length of stay, seasonality, income and spending.

Importantly, the average spend of the arts and culture participant tourist is generally higher than it is for non-participants. Economic value-added is generated through spending. Hence, each arts and culture participant tourist generates more economic value-added than the non-participant tourist in Manitoba.

That suggests that if Manitoba continues to develop its arts and culture tourism assets, especially in ways that demonstrably attract tourists, these assets will produce considerable spillover benefits to the Manitoba economy. Looking ahead, Manitoba has an opportunity to capitalize on the unique characteristics of arts and culture participant tourists. By investing in innovative, diverse, and accessible arts and culture offerings, Manitoba can further differentiate itself as a leading cultural destination in Canada.